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~~Champlain Enterprises, Inc.~~

dba CommutAir

28 June 2002

US Department of Transportation
Office of Essential Air Service
Air Carrier Fitness Division, X-53
Room 6401
400 7th Street SW
Washington, D.C. 20590

DEPT. OF TRANSPORTATION
DOCKETS
02 JUL 10 PM 3:12

Attn: Mr. Dennis DeVany

Dear Mr. DeVany,

OST-1997-2842-24

Champlain Enterprises Inc. (CEI) would like to submit this letter of support for the attached proposal for air service between the points of Massena, Ogdensburg and Watertown, NY to our hub in Albany, NY. Our proposed service pattern is to offer three direct round trips to Albany each weekday and three direct round trips over each weekend. The proposed annual subsidy for all three communities is \$2,594,730.

Our proposed service is to link the communities of MSS, OGS & ART with a combination of one stop and non stop flights to Albany, NY offering all three communities well timed flights which will afford passengers convenient connections to Continental Connection's 50 plus daily flights from Albany as well as provide access to the national air transportation system by timing flights such that they will provide connections to other airlines.

Attached please find the compensation proposal for CEI.

I am available at your convenience to discuss our service and subsidy proposal.

Respectfully Submitted,



Joel T. Raymond
Vice President - Marketing & Planning

Attachments

CEI
MSS/OGS-ALB &
ART-ALB (one stop)
Service Proposal June 2002

	<u>Massena and Ogdensburg</u> <u>3 round trips/day to Albany</u> <u>3 one Stop and Non Stop flights</u>	<u>Watertown</u> <u>3 round trips/day to ALB</u> <u>3 one stop flights Via. SYR to ALB</u>
Passengers	8,550	4,275
Avg. Fare	\$89	\$89
Passenger Rev.	\$760,950	\$380,475
<u>Other Revenue @ 1%</u>	<u>\$7,610</u>	<u>\$3,805</u>
Total Revenue	\$768,560	\$384,280
Block Hours	2,329 1/	757 2/
Pilot Expenses @ \$124.30/hr.	\$289,495	\$94,095
Fuel Expenses @ \$149/hr.	\$347,021	\$112,793
Hull Insurance @ \$83,520 per aircraft	\$83,520	\$16,704
Maintenance @ \$191/hr.	\$444,839	\$144,587
<u>Aircraft Depreciation @ \$301,584. Per aircraft</u>	<u>\$301,584</u>	<u>\$60,317</u>
Direct Expenses	\$1,466,459	\$428,496
Station	\$550,000	\$275,000
Ldg. & A/C Svc. Per Ldg.	\$84,000	\$48,000
Supplies and Dispatch @ \$7.85 hr	\$18,283	\$5,942
Res. @ \$15.77/pax.	\$134,834	\$74,898
Pax. Liab. Insurance	\$19,836	\$9,000
Capacity Related @ 1.28%	\$29,100	\$10,769
<u>Promotions</u>	<u>\$30,000</u>	<u>\$15,000</u>
Indirect Expenses	\$866,053	\$438,609
Operating Expense	\$2,332,512	\$867,105
Return @ 5%	\$116,626	\$43,355
<u>Interest @ \$125.72/hr.</u>	<u>\$292,802</u>	<u>\$95,170</u>
Total Economic Cost	\$2,741,940	\$1,005,630
Annual Subsidy @ 95% Completion	\$1,973,380	\$621,350

1/ PLB-MSS-OGS-ALB, (25+20+45)min. x 2 flts. x 7 days/week x 52 weeks/60 min. x .97 = 1,059 hrs.

ALB-MSS-OGS-ALB, (45+20+45)min x 2 flts. X 5 days/week +1 each Sun. x 52weeks/60 x .97 = 1,017 hrs.

2/ ART-SYR-ALB, (25)min. x 6 flts. X 6 days x 52 weeks/60 x .97 = 757 hrs.